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CENTRAL INTELLIGENCE AGENCY

16 August 1955

MEMORANDUM FOR: Mr. Allan Evans (OIR)
Colonel H. J. Lemley, Jr., USA (G-2)
Captain C. C. Coley, USN (ONI)
Colonel Willis B. Sawyer, USAF (AFOIN-2B2)
Colonel John E. Leary, USA (JIG)

SUBJECT : NIE 36.1-55: The Outlook for Egyptian
Stability and Foreign Policy

1. The attached terms of reference were agreed on at the meeting of the IAC representatives on Monday, 15 August.
2. All agencies are invited to contribute to any section within their competence to do so.
3. It is requested that contributions be received in this office by the close of business on Monday, 10 October.

Paul A. Borel

PAUL A. BOREL
Acting Assistant Director
National Estimates

Distribution "B"

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16 August 1955

SUBJECT: TERMS OF REFERENCE: NIE 36.1-55: THE OUTLOOK FOR
EGYPTIAN STABILITY AND FOREIGN POLICY

THE PROBLEM

To estimate probable trends in Egypt's foreign and domestic policies and internal stability over the next few years, and to assess the implication of these trends for US interests in the Middle East.

SCOPE

This estimate will supersede the discussion of Egypt in NIE 36-54: "Probable Developments in the Arab States," (7 September 1954). The paper is being undertaken at this time because of the

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changes which have already occurred or are underway which will have an important bearing on US interests in and policy toward Egypt and the entire Middle East. Among the more significant of these changes are the Arab League split over Middle East defense arrangements, the increase of Egyptian-Israeli tensions, growing sentiment in the Sudan against union with Egypt, the deterioration of US-Egyptian relations, and the rapprochement in Egyptian relations with the Communist Bloc. Although some of these developments have been covered in recent estimates, notably NIE's 30-55 and 30-2-55, they have never been focused squarely on the Egyptian problem.

There is sufficient finished intelligence available to make it unnecessary for the IAC agencies to submit comprehensive reviews of the basic political, social, economic, and military facts of Egyptian life. We do not believe that a basic country study type of estimate would be as useful at this time as one which focused on the main problems likely to confront the US in Egypt over the next few years. We believe the major intelligence questions are: (a) what will be the outcome of Egypt's current foreign policy reappraisal and the consequent implications for US interests and objectives;

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(b) how successfully will the RCC cope with the major short and long range political and economic problems confronting it; (c) what effect will these foreign and domestic developments have on the ability of the RCC to maintain itself in power; (d) what sort of regime would be most likely to succeed the RCC; and (e) to what extent are developments in Egypt likely to be affected by possible US courses of action?

QUESTIONS BEARING ON THE PROBLEM

A. CHARACTER AND STABILITY OF THE REGIME

1. What is the character and makeup of the RCC regime?
Is there significant dissension within the group? What is the present governmental structure in Egypt and how does it operate in practice? To what extent are the "free officers," the military establishment as a whole, or other special groups specifically linked to the regime?
2. How effectively has the regime dealt with political, administrative, and constitutional problems? How successful

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has it been in: (a) retaining military and police support, and (b) developing support among various elements of the civilian population? What are the extent and nature of opposition to the regime? What changes in the system does Nasr now contemplate and what is the likelihood of his going through with them? How would such changes affect the political situation?

3. How serious are the economic and financial problems facing the regime and how successful is it likely to be in dealing with them? To what extent will the outcome depend on Egypt's ability to obtain outside assistance? To develop its own resources? Is such assistance likely to be forthcoming from the Bloc, West Germany, or other non-US sources? To what extent will the outcome depend on Egypt's developing foreign trade? To what extent, if any, are Egypt's foreign policies likely to be affected by its international economic relations?
4. What is the outlook for continued control by the RCC? What is the likelihood of a major split in the RCC, a significant loss of security forces support, or the

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development of strong popular opposition? To what extent is the regime's continuation in power, both over the short and the long run, likely to hinge on its handling of economic matters, domestic political, social reforms, or of various specific foreign affairs problems? To what extent are popular or special-interest pressures likely to curtail the regime's freedom of action? What sort of regime would be most likely to succeed the RCC?

B. FOREIGN AFFAIRS

5. What have been the main elements in the RCC's foreign policy respecting the Western Powers (particularly the US), the Arab states, Israel, Turkey, the Sino-Soviet Bloc, India and other "neutralists", the Sudan, Libya, and North Africa?
6. What are the probable trends in Egyptian foreign policy?
 - a. What is the likelihood of either (1) a renewed effort to restore Egyptian ascendancy in Arab affairs or (2) a redirection of Egyptian interest and effort toward other matters?

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- b. Is Egypt likely to make significant moves toward an accommodation with Israel? How would Egypt react to further border raiding? To an Israeli attack on the Gaza strip? To further Israeli attempts to force a sea passage either through the Suez canal or the Gulf of Aqaba?
- c. What position is Egypt likely to adopt with respect to the world power struggle and the major participants in it? How would Egypt react to a real or apparent relaxation of tensions? Given probable Bloc efforts to build up ties with Egypt, what is the Egyptian response likely to be? How far is Egypt likely to go toward identifying itself with such countries as India and Yugoslavia? What are the chances of Egypt's shifting to a strongly anti-US position? Of its "agreeing to disagree" with the US on regional defense matters? Of Egyptian acceptance of some form of participation in regional defense activities? What is Egypt's attitude likely to be toward its Suez base obligations?
- d. How successful is Egypt likely to be in affecting the Sudan situation? What would be the Egyptian reaction to failure to obtain its minimum requirements in the Sudan?

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C. MILITARY

7. What is the present makeup of Egypt's armed forces?

How much stress has the RCC placed on improvement of the armed forces and how successful has it been? What are the regime's plans for the military establishment?

8. What is the situation with respect to outside arms offers to Egypt? What would be the likely effects of Egyptian acceptance of such offers (include both Soviet Bloc and Western arms offers)?

9. What is the present and potential role of the military in internal affairs? How effective and reliable are the security forces in maintenance of internal security? What is the likelihood of significant opposition to the regime developing in the armed forces?

10. What are Egypt's present and potential military capabilities vis-a-vis Israel? What are its present and potential capabilities to contribute to Middle East defense? In what role? How effective is Egypt likely to be in maintaining the Suez bases?

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D. EFFECTS OF POSSIBLE US COURSES OF ACTION

11. What would be the probable effect on the Egyptian economy of a curtailment of US aid, a continuation at about present levels, a substantial increase? What would be the effect of possible US economic policies, particularly with respect to cotton and rice? To what extent does the stability of the regime depend on the belief that it has US friendship and support?

12. To what extent are Egyptian attitudes toward the US and US-backed regional defense activities likely to depend on US actions? What are Egypt's views on US military aid? Economic aid?

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